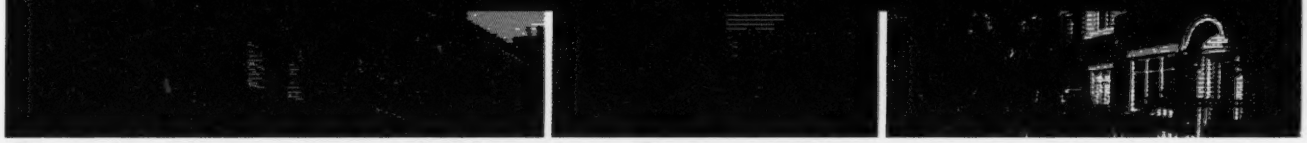
HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

New Brunswick Highlights*



Canada Mortgage and Housing Corporation

Date Released: Fall 2007

Figure 1

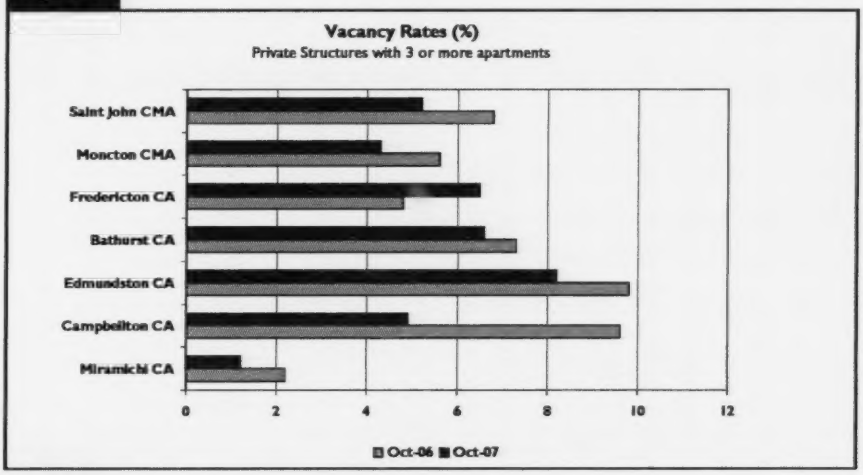
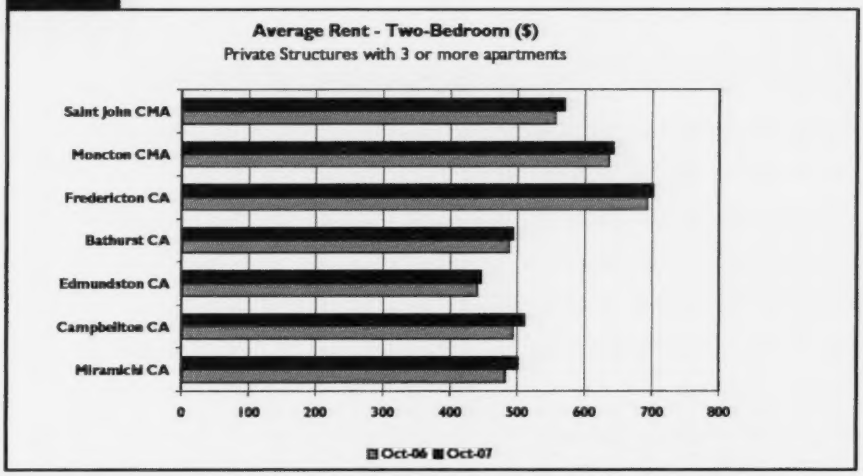


Figure 2



*Only centres with a population of 10,000 + are included in the survey. Detailed reports are available for CMAs.

Vacancy Rates Decline in Most Urban Centres

- The overall vacancy rate in New Brunswick's urban centres was 5.3 per cent in the fall of 2007, down from last year's level of 6.0 per cent.
- The vacancy rate in six of the province's seven urban centres declined in 2007, with Fredericton being the only exception.
- Rent increases among the province's urban areas, based on the fixed sample, varied between a low of 1.3 per cent in Edmundston to a high of 3.1 per cent in Saint John.
- Fredericton led the way with the highest average rent in the province at $686, while Edmundston enjoyed the lowest average rent at $429.
- The availability rate for the province's urban areas declined from 6.7 per cent last year to 6.1 per cent in 2007.

Canada

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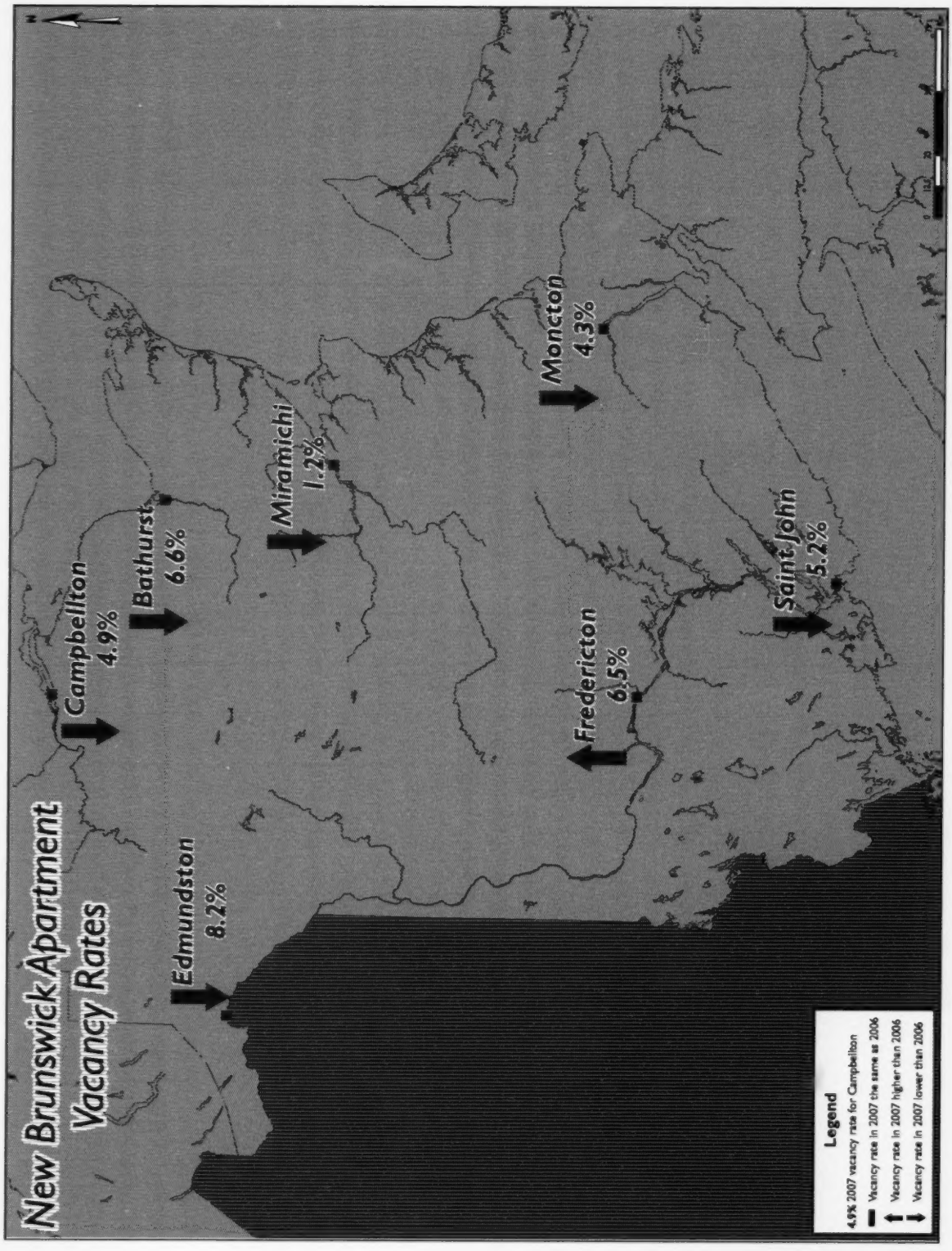
Results from the 2007 CMHC Rental Market Survey conducted during the first two weeks of October show lower vacancy rates in six of the province's seven urban areas, with Fredericton being the only exception. Persistent strength in both new home and resale markets continued to present multiple options to consumers. Nevertheless, the lower vacancy rates in most areas highlighted the resiliency of rental unit demand throughout New Brunswick. Both Saint John and Moncton experienced a similar decline in their vacancy rate, falling 1.6 and 1.3 percentage points, respectively. Although the decline was smaller, the vacancy rate in Moncton, at 4.3 per cent, was lower than Saint John's vacancy rate of 5.2 per cent. In Fredericton, the vacancy rate increased by 1.7 per cent in 2007 as rental unit construction proceeded slightly ahead of demand, resulting in a larger number of unabsorbed units. For two bedroom units, which account for more than half of the rental universe in the province's three major urban centres, fluctuations in the vacancy rate mirrored the change in the overall rate with declines reported in Saint John and Moncton and an increase in Fredericton.

In all four of New Brunswick's smaller urban centres, the vacancy rate declined during the past 12 months. One particular highlight was the vacancy rate in Miramichi. Although it declined by only one percentage point, the local vacancy rate remains very low at 1.2 per cent. For two bedroom units, which account for approximately two-thirds of the total universe, the vacancy rate in Miramichi is even lower at 0.6 per cent.

The largest year-over-year decline occurred in Campbellton, where the vacancy rate fell by 4.7 percentage points to 4.9 per cent as supply achieved a more sustainable balance with demand. In Edmundston and Bathurst, the changes in the local vacancy rate were moderate with declines of 1.6 per cent and 0.7 per cent, respectively. Edmundston and Bathurst also posted the province's highest vacancy rates in 2007 at 8.2 per cent and 6.6 per cent, respectively. In the province's four small CA's, the lack of growth in the local rental universe due to limited rental unit construction translated into declining vacancy rates as rental unit demand remained stable.

Overall, average rents in all of New Brunswick's urban areas experienced a moderate 2.1 per cent increase in 2007. This year to year comparison excludes the impact of new structures added to the rental universe between surveys and conversions, and allows a better indication of the rent increase in existing structures. Among the individual centres, the average rent increases varied from a low of 1.3 per cent in Edmundston to a high of 3.1 per cent in Saint John. The increase in average rents for two bedroom units was comparable in magnitude to the overall increase, rising 2.3 per cent since the last Rental Market Survey.

The overall availability rate in New Brunswick's urban centres declined in 2007, down to 6.1 per cent compared to last year`s level of 6.7 per cent. The availability rate declined in all of the province's urban centres except for Fredericton, where the rate increased by 2.0 percentage points. The decline in the six other urban areas ranged from a low of 0.5 percentage points in Moncton to a high of 5.6 percentage points in Campbellton.


New Brunswick Apartment Vacancy Rates
Campbellton 4.9%
Bathurst 6.6%
Edmundston 8.2%
Miramichi 1.2%
Moncton 4.3%
Fredericton 6.5%
Saint John 5.2%
Legend
4.9% 2007 vacancy rate for Campbellton
Vacancy rate in 2007 the same as 2006
Vacancy rate in 2007 higher than 2006
Vacancy rate in 2007 lower than 2006

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07
Moncton CMA	**	5.6 d	5.7 c	4.4 b	5.8 b	4.3 b	**	4.0 d	5.6 b	4.3 b
Saint John CMA	**	5.7 d	7.1 c	6.3 b	6.5 c	5.2 b	4.2 d	3.0 c	6.8 b	5.2 a
Bathurst CA	18.3 a	14.4 a	7.7 a	10.1 a	5.4 a	2.7 a	2.0 a	6.3 a	7.3 a	6.6 a
Campbellton CA	11.0 c	**	11.2 c	4.8 b	9.4 a	4.4 b	3.0 c	1.5 a	9.6 a	4.9 a
Edmundston CA	**	**	11.8 c	9.7 a	7.9 b	7.4 a	**	0.0 b	9.8 a	8.2 a
Fredericton CA	4.1 d	**	3.2 b	4.8 b	5.4 a	7.1 b	4.5 c	5.6 c	4.8 a	6.5 a
Miramichi CA	**	7.3 a	1.1 a	1.4 a	2.0 a	0.6 a	**	4.1 a	2.2 a	1.2 a
New Brunswick 10,000+	**10.0 d**	**8.0 b**	**6.2 a**	**5.6 a**	**5.9 a**	**5.1 a**	**3.8 c**	**3.9 c**	**6.0 a**	**5.3 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07
Moncton CMA	426 b	413 a	540 a	532 a	636 a	643 a	673 a	706 a	606 a	610 a
Saint John CMA	388 a	421 b	462 a	493 a	556 a	570 a	601 a	640 a	525 a	549 a
Bathurst CA	332 a	327 a	381 a	400 a	488 a	493 a	497 a	488 a	440 a	446 a
Campbellton CA	347 a	371 a	394 a	397 a	493 a	510 a	518 a	533 a	450 a	466 a
Edmundston CA	338 a	340 a	405 a	403 a	441 a	446 a	457 a	501 a	423 a	429 a
Fredericton CA	491 a	546 a	572 a	586 a	693 a	701 a	887 a	888 a	680 a	686 a
Miramichi CA	316 c	321 a	432 a	433 b	482 a	501 a	521 b	443 c	468 a	479 a
New Brunswick 10,000+	**411 a**	**436 a**	**496 a**	**510 a**	**609 a**	**619 a**	**690 a**	**705 a**	**577 a**	**589 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \le cv \le 2.5$), b – Very good ($2.5 < cv \le 5$), c – Good ($5 < cv \le 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \le 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2007 by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Moncton CMA	20 d	360	104 b	2,388	276 b	6,442	19 d	470	419 b	9,660
Saint John CMA	26 d	456	164 b	2,596	240 b	4,658	37 c	1,222	467 a	8,932
Bathurst CA	19 a	132	31 a	308	15 a	551	6 a	98	71 a	1,089
Campbellton CA	**	44	14 b	288	19 b	426	1 a	70	41 a	828
Edmundston CA	**	55	45 a	464	45 a	613	0 b	78	99 a	1,210
Fredericton CA	**	352	76 b	1,592	310 b	4,374	40 c	726	456 a	7,044
Miramichi CA	2 a	28	3 a	221	3 a	614	2 a	49	11 a	911
New Brunswick 10,000+	**114 b**	**1,427**	**438 a**	**7,856**	**908 a**	**17,678**	**105 c**	**2,713**	**1,565 a**	**29,674**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07	Oct-06	Oct-07
Moncton CMA	**	**	6.2 c	5.4 b	6.5 b	5.7 b	2.4 c	5.3 d	6.2 b	5.7 a
Saint John CMA	**	**	7.6 c	6.9 b	7.6 b	5.8 b	5.3 d	5.4 d	7.8 b	6.1 a
Bathurst CA	18.3 a	14.4 a	8.7 a	10.1 a	6.2 a	2.7 a	3.0 b	6.3 a	8.0 a	6.6 a
Campbellton CA	15.6 d	**	12.3 c	4.8 b	9.9 a	4.4 b	3.0 c	1.5 a	10.5 a	4.9 a
Edmundston CA	**	**	12.7 a	10.2 a	9.3 a	7.6 a	**	1.3 a	11.2 a	8.6 a
Fredericton CA	4.1 d	**	3.2 b	5.2 b	5.5 a	7.5 a	4.6 c	5.7 c	4.9 a	6.9 a
Miramichi CA	**	7.3 a	1.1 a	2.4 a	2.5 a	1.1 a	**	4.1 a	2.6 a	1.7 a
New Brunswick 10,000+	**11.3 c**	**8.6 b**	**6.7 a**	**6.2 a**	**6.6 a**	**6.0 a**	**4.6 c**	**5.2 b**	**6.7 a**	**6.1 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix links for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent* by Bedroom Type
New Brunswick

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07	Oct-05 to Oct-06	Oct-06 to Oct-07
Moncton CMA	4.4 c	2.2 c	1.9 c	2.9 b	1.8 b	2.0 a	++	++	1.8 b	2.0 a
Saint John CMA	**	4.5 d	**	2.9 b	2.1 c	3.5 c	++	3.5 d	3.1 d	3.1 c
Bathurst CA	1.3 d	-0.4 a	3.1 c	5.2 a	2.1 c	3.0 b	5.1 b	1.0 a	3.8 b	1.7 a
Campbellton CA	5.1 b	**	3.6 c	++	2.4 c	3.7 b	++	**	2.7 b	2.0 c
Edmundston CA	**	++	2.3 c	1.9 c	1.7 b	++	++	**	1.9 b	1.3 a
Fredericton CA	++	**	1.8 c	2.1 c	1.6 c	1.2 d	++	++	1.5 c	1.4 a
Miramichi CA	**	**	1.9 c	2.0 c	++	++	**	**	0.9 d	1.7 c
New Brunswick 10,000+	**3.6 d**	**4.8 d**	**2.5 c**	**2.6 a**	**1.8 b**	**2.3 a**	**	++	**2.2 a**	**2.1 a**

*The Estimate of Percentage Change is a measure of the market movement, and is based on those structures that were common to the survey for both years.

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix** links for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in 2006 vs. $550 in 2007 represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the 2006 and 2007 Fall Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. In October 2006, CMHC introduced a new measure for the change in rent that is calculated based on existing structures only. This estimate is based on structures that were common to the survey sample the previous year and the current year of the Rental Market Survey. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in the Rental Market Report – Canada Highlights , Provincial Highlights, and the local Rental Market Reports. The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in September and October to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS. CMHC has identified the following dwelling components to be included in SRMS:

- Rented single-detached houses.
- Rented double (semi-detached) houses (i.e.. Two units of approximate equal size and under one roof that are situated either side-by-side or front-to-back).
- Rented freehold row/town homes.
- Rented duplex apartments (i.e.. one-above-other).
- Rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type).
- Rented condominiums (can be any dwelling type but are primarily apartments).
- One or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents.
- A Condominium Apartment Vacancy Survey of condominium apartment owners to collect vacancy information.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the owner, manager, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in September and October, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates for the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability. In 2007, rented condominium apartments were surveyed in the following CMAs: Vancouver, Calgary, Edmonton, Toronto, Ottawa, Montréal and Québec. Other secondary rental market units were surveyed in Abbotsford, Barrie, Calgary, Edmonton, Halifax, Montreal, Ottawa, Quebec, St. John's, Kelowna, Toronto and Vancouver.

DEFINITIONS

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Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2006 data presented in this publication is based on Statistics Canada's 2001 Census area definitions. October 2007 data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Rental Affordability Indicator

Canada Mortgage and Housing Corporation has developed a new rental affordability indicator to gauge how affordable a rental market is for those households which rent within that market. The level of income required for a household to rent a median priced two-bedroom apartment, using 30 per cent of its income, is calculated. The three-year moving average of median income of households in a centre is then divided by this required income. The resulting number is then multiplied by 100 to form the indicator. A value above 100 indicates that less than 30 per cent of the median income is required to rent a two-bedroom apartment, conversely, a value below 100 indicates that more than 30 per cent of the median income is required to rent the same unit. In general, as the indicator increases, the market becomes more affordable; as the indicator declines, the market becomes less affordable.

Median renter household income estimates used in the calculation of the rental affordability indicator are based on results of Statistics Canada's Survey of Labour and Income Dynamics. Results for this survey are available from 1994 to 2005. CMHC has developed forecasts of median renter household incomes for 2006 and 2007.

CMHC—HOME TO CANADIANS

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Together with other housing stakeholders, we help ensure that the Canadian housing system remains one of the best in the world. We are committed to helping Canadians access a wide choice of quality, environmentally sustainable and affordable homes – homes that will continue to create vibrant and healthy communities and cities across the country.

For more information, visit our website at www.cmhc.ca

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